

WAT FOR THE WORD

Situation of Peace Conference at Portsmouth.

FATE IN ROYAL HANDS

DECISION RESTS WITH BOTH BELLIGERENT RULERS.

Envoys at Work on Protocols Giving Reasons of Each Side for Divergency of Views.

PORTSMOUTH, N. H., August 21.—This would have been an ideal day to negotiate peace. It is an even pleasant day to bask in the warm sunshine on the veranda, and this is what many of the attaches of both missions are doing. The principals, however, Baron Komura and Mr. Takahira and M. Witte, have no time for recreation. Before breakfast this morning M. Witte, although he was not feeling well, was hard at work, and he scarcely stopped while breakfast was served to him in his room. Baron de Rosen had not returned from Magnolia.

No plans for either mission have been announced today, but as both are expecting cablegrams from their home governments, which may decide the fate of the negotiations, it is unlikely that they will go far from the hotel today.

The Dolphin has received orders to sail for Boston, and will probably get under way this morning. It is assumed here, in case the envoys, upon the conclusion of their labors, wish to return by water.

The Mayflower will remain throughout the conference.

Protocols Almost Ready.

Both the Russians and Japanese have almost finished the preparation of the protocols to be submitted at the meeting of the conference tomorrow afternoon.

The features of the protocols is the presentation of the reasons advanced by both sides for the divergence of views upon the articles upon which no agreement was reached.

On article five, the cession of Sakhalin, the Japanese claim that they are entitled to the island as well as reason of their national rights to its possession as because of its present occupation by the Japanese forces.

The Russians on the contrary insist that up to 1859 Japan had never claimed any right to Sakhalin, and at that time only twenty-five unmarried Japanese lived in the south of the island during the fishing season.

Admiral Pezardine opened the eyes of the Japanese to the value of Sakhalin when he went there in 1854 and initiated negotiations for the possession of the entire island of Japan.

It was then that Japan in order to make claims tried to colonize the island and stated that the Aino race which lived there belonged to the same family as the original inhabitants of the northern islands of Japan.

In 1859, Mouri, governor general of Amur, tried to persuade Japan to yield in Amur, and to the south part of Sakhalin, but did not succeed, and the Japanese had already begun to support the Japanese in their attitude against Russia.

Japanese and Sakhalin.

The reports of all the Russian consuls in Sakhalin up to the year 1870 stated that the Japanese effort to colonize the island had failed because of the rigorous climate.

The negotiations between Russia and Japan started in 1854 and continued for twenty years, ending with the treaty of 1875, by which the sovereignty of Russia over Sakhalin was recognized.

With regard to article 10, which repeats the arguments already set forth several times in the Associated Press dispatches, the Japanese insist that the government for the expenses of the war on the ground that they were forced by Russia's aggressions to resort to arms for self-preservation, and that they were victorious at all points on sea and land are entitled to reimbursement.

Russia, on the contrary, denies absolute responsibility for the war, and such a condition, as Russia does not acknowledge defeat and appeared at the conference not imploring mercy, but because of her pride and her willingness to conclude on an honorable basis.

Russia and Indemnity.

Russia declares that a claim for indemnity under the circumstances is unprecedented, and reviews the historical occasions where indemnity was paid in support of her contentions. Most of these precedents have already been made public in connection with a recent Associated Press interview with Mr. Maertens. The protocol also states that Russia throughout her history has never paid a war indemnity, not even when Napoleon the great invaded the Muscovite empire in 1812 and occupied Moscow.

With regard to article 10 (the indemnity), the Japanese assert that it is indispensable to insure a lasting peace.

Offensive to Russian Honor.

Russia rejects the whole idea as being offensive to her honor and dignity. While declining, however, to place such an article in a treaty she is willing to make a declaration that she has no intention of attempting to threaten the naval position of Japan or of any other power in the far east.

M. Witte left his apartments in the hotel about noon today and came to the garden all the way from the veranda, where he spent some time chatting with Baron de Rosen, who had just arrived from Magnolia.

The distinguished Russian appeared in the garden all the way from the veranda, where he spent some time chatting with Baron de Rosen, who had just arrived from Magnolia.

TAKE ANOTHER TACK

Detectives Search for Holmes and Hyde's Funds.

ARMED WITH A PAPER

BANKS AND TRUST COMPANIES BEING QUESTIONED.

Few Witnesses Before Federal Grand Jury—District Attorney Beach Goes to New York.

Although District Attorney Beach will be out of the city tomorrow and the grand jury will have but few witnesses before it, an inquiry of much importance in connection with the cotton crop report scandal will be continued.

At the request of Mr. Beach, several detectives from the local force have been assigned to the case, and armed with a letter from the district attorney, will visit each of the various banks, safe deposit vaults and trust companies in Washington to learn whether former Statistician Edwin S. Holmes, Jr., who was dismissed from the bureau of statistics in disgrace, and John Hyde, former statistician of the Agricultural Department, who resigned under fire, had at any time accounts, joint or otherwise, or safe deposit boxes in one or more of the various institutions.

The letter referred to informed the officers of the institutions in question that unless they acceded to the request contained in the communication—that the detectives be fully informed concerning the relations, if any, existing or that had existed between Holmes or Hyde and the bank, trust company or safe deposit concern in question—subpoenas would be issued and the grand jury itself would exact the information. A part of this work was completed last week. The officers of most of the institutions already visited assured the detectives that neither Holmes nor Hyde had ever been among their customers. At several institutions, however, admissions—important in themselves, but bare of detail—were secured. Subpoenas will be issued for the purpose of securing further information.

On Hyde's Trail.

It has not been known heretofore that the authorities, in addition to the effort to indict Holmes, were on the trail of Hyde as well. No information could be secured today either at the City Hall or the Department of Agriculture concerning the discovery of facts which would indicate that the irregularities in the bureau of statistics of the Agricultural Department occurred with full knowledge on the part of former Statistician Hyde. But the fact that Mr. Hyde's financial record is being examined into, it is said, has not occasioned any surprise on the part of those familiar with the situation. Mr. Hyde's sudden departure for England just at the time the grand jury needed him as a witness, together with his present presumably indefinite sojourn across the water, would have given a pretext for the inquiry, it is understood, even if he had not previously been determined to go to the bottom of the cotton crop report leak and make the investigation as thorough as it was possible.

The investigation by detectives of the local force will be continued this week until all of the financial institutions in the city have been searched, and the results of the investigation are in the hands of the district attorney, then considered necessary, will be immediately issued. The only occasion for surprise in connection with this inquiry into the financial standing of Holmes and Hyde, in the opinion of those who are familiar with the facts in the cotton crop report scandal, is that this particular branch of the investigation was delayed so long.

New Lines of Inquiry.

Several new lines of inquiry in connection with the present investigation in the bureau of animal industry of the Agricultural Department have delayed the report, which was to have been made to Secretary Wilson today by Solicitor McCabe of the department. The additional quest will occupy Mr. McCabe's time until Wednesday of this week, and perhaps longer. Secretary Wilson expects to have the report before him for action, however, by the latter part of this week.

It is not at all improbable that Dr. George T. Moore of the bureau of plant industry of the Agricultural Department, who recently resigned as assistant secretary in connection with the nitro-culture concern, will be given a special mission by the Department of Agriculture to complete some important work which he had in hand at the time his official connection was severed. This is the direct outcome of the report made to Secretary Wilson by the department, and which practically gave Dr. Moore a clean bill of health.

As a matter of fact none of those persons familiar with the nitro-culture controversy has ever held that Dr. Moore should have been dismissed or even permitted to resign because of his indirect connection with a concern manufacturing a product invented by himself and in which the department was interested.

It has been proved to the satisfaction of the department, however, that he did not make a cent, properly or improperly, out of the nitro-culture concern, but that he was merely doing as he pleased in order to get a better position in the event that he left the government service. Dr. Moore, it may be briefly stated, was "secured out" of the department, and his resignation was a better position in the event that he left the government service.

On the ground of his entire lack of frankness in connection with the nitro-culture concern, if he had told the Secretary the whole truth at the time there is no reason to believe that the matter would have been so soon as possible, and it is very possible that Dr. Moore will be called upon to do it. This will not be done, however, until after the pending inquiry into the nitro-culture concern has been closed. Secretary Wilson would not discuss the Moore case today.

EASTERN YACHT CLUB.

The Start Today on the Long-Distance Race.

MARBLEHEAD, Mass., August 21.—In the very lightest of weather conditions, but under a clear sky, five yachts, all schooners, hoisted sail today in the Eastern Yacht Club's long-distance race from this port to Halifax, 357 miles. The yachts were the Corona, A. F. Luke; Elmina II, F. P. Brewster; Hope Leslie, Commodore Lawrence Minot; Agatha, W. S. Eaton, and Black Hawk, Charles E. Gibson.

The Elmina is of the New York Yacht Club and the Black Hawk of the Boston Yacht Club, while the others represent the home club. Although well provisioned against a long voyage, none of the boats reduced its racing rig to any extent.

It is expected that several of the yachts will participate in the race at Halifax next Saturday, when the Prince of Wales cup, presented to the Royal Halifax Yacht Club by the present King of England in 1860.

Reports received from all the American consuls indicate that the boycott is waning, except in Shanghai, where the situation is unchanged.